



Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for the Boise-Nampa Metropolitan Statistical Area in July remained unchanged from April, May and June at 3 percent and was 0.3 of a percentage point lower than July 2005. The civilian labor force increased by a modest 800 people, and total employment essentially kept pace, rising by 700. It is quite possible the Boise area has maximized its existing labor pool, and its lowest rate of 2.8 percent in January will not be matched again.

In recent months growth in the labor force and total employment has been slowing, and unemployment has remained steady. The economy appears to be leveling out at a time when employers are having trouble finding the additional workers they could definitely use. On the flip side, however, wages are stagnating in the metropolitan area so if employers are going to entice qualified workers they are going to have to raise wages. The area is currently experiencing a shortage of skilled labor in many occupations.

Nonfarm payroll jobs in the Boise area experienced a seasonal decline in July. Payrolls fell 500 largely due to schools letting out for the summer. Construction continued its upward movement, growing 2.6 percent.

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	195,586	5,391	2.8	190,195
Adams	2,001	151	7.6	1,850
Boise	3,923	123	3.1	3,799
Canyon	81,757	2,953	3.6	78,804
Elmore	11,436	555	4.9	10,881
Gem	7,525	286	3.8	7,239
Owyhee	4,692	121	2.6	4,571
Payette	10,212	525	5.1	9,687
Valley	5,673	206	3.6	5,467
Washington	5,093	213	4.2	4,880
Statewide	756,455	27,503	3.6	728,952

	Jul 2006*	Jun 2006	Jul 2005	% Change	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	293,500	292,700	285,000	0.3	3.0
Unemployment	8,900	8,800	9,500	1.1	-6.3
% of Labor Force Unemployed	3.0	3.0	3.3		
Total Employment	284,600	283,900	275,500	0.2	3.3
<i>Unadjusted</i>					
Civilian Labor Force	296,800	295,800	285,800	0.3	3.8
Unemployment	8,700	8,600	9,400	1.2	-7.4
% of Labor Force Unemployed	2.9	2.9	3.3		
Total Employment	288,100	287,200	276,400	0.3	4.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	269,500	270,000	249,700	-0.2	7.9
GOODS-PRODUCING INDUSTRIES	54,600	54,000	51,400	1.1	6.2
<i>Natural Resources & Construction</i>	23,800	23,200	21,400	2.6	11.2
Construction	23,500	22,900	21,000	2.6	11.9
<i>Manufacturing</i>	30,800	30,800	30,000	0.0	2.7
Durable Goods	24,600	24,600	23,900	0.0	2.9
Wood Product Manufacturing	2,200	2,300	2,300	-4.3	-4.3
Fabricated Metal Products Mfg.	1,500	1,500	1,400	0.0	7.1
Machinery Manufacturing	1,200	1,200	1,200	0.0	0.0
Computer & Electronic Manufacturing	14,100	14,100	14,300	0.0	-1.4
Transportation Equipment Mfg.	2,400	2,500	2,100	-4.0	14.3
Other Durable Goods	3,200	3,000	2,600	6.7	23.1
Nondurable Goods	6,200	6,200	6,100	0.0	1.6
Food Manufacturing	4,200	4,200	4,300	0.0	-2.3
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,300	1,300	1,100	0.0	18.2
SERVICE-PROVIDING INDUSTRIES	214,900	216,000	198,300	-0.5	8.4
<i>Trade, Transportation, & Utilities</i>	53,500	53,100	49,200	0.8	8.7
Trade	45,700	45,400	42,000	0.7	8.8
Wholesale Trade	12,700	12,600	11,600	0.8	9.5
Wholesalers, Durable Goods	7,500	7,500	7,100	0.0	5.6
Wholesalers, Nondurable Goods	3,600	3,600	3,600	0.0	0.0
Retail Trade	33,000	32,800	30,400	0.6	8.6
Food & Beverage Stores	4,600	4,600	4,400	0.0	4.5
General Merchandise Stores	6,400	6,300	6,100	1.6	4.9
All Other Retail Trade	22,000	21,900	19,900	0.5	10.6
Transportation, Warehousing, & Utilities	7,800	7,700	7,200	1.3	8.3
Utilities	600	600	600	0.0	0.0
Transportation & Warehousing	7,200	7,100	6,600	1.4	9.1
<i>Information</i>	5,300	5,300	5,300	0.0	0.0
Telecommunications	2,500	2,500	2,200	0.0	13.6
<i>Financial Activities</i>	14,900	14,900	8,700	0.0	71.3
Finance & Insurance	10,300	10,300	4,600	0.0	123.9
Real Estate & Rental & Leasing	4,600	4,600	4,100	0.0	12.2
<i>Professional & Business Services</i>	38,800	38,600	37,800	0.5	2.6
Professional, Scientific, & Technical	11,200	11,100	10,800	0.9	3.7
Management of Companies & Ent.	5,900	5,900	5,700	0.0	3.5
Administrative & Support & Waste Mgmt.	21,700	21,600	21,300	0.5	1.9
<i>Educational & Health Services</i>	31,600	32,000	30,700	-1.3	2.9
Educational Services	2,300	2,800	2,100	-17.9	9.5
Health Care & Social Assistance	29,300	29,200	28,600	0.3	2.4
Hospitals	9,600	9,500	9,200	1.1	4.3
<i>Leisure & Hospitality</i>	24,300	24,000	23,100	1.3	5.2
Arts, Entertainment, & Recreation	4,000	3,800	3,400	5.3	17.6
Accommodation & Food Services	20,300	20,200	19,700	0.5	3.0
Accommodation	2,200	2,100	2,100	4.8	4.8
Food Services & Drinking Places	18,100	18,100	17,600	0.0	2.8
<i>Other Services</i>	7,300	7,300	6,400	0.0	14.1
<i>Total Government</i>	39,200	40,800	37,100	-3.9	5.7
Federal Government	5,900	5,900	6,000	0.0	-1.7
State & Local Government	33,300	34,900	31,100	-4.6	7.1
State Government	12,700	12,700	12,700	0.0	0.0
State Government Education	3,700	3,800	3,900	-2.6	-5.1
State Government Administration	9,000	8,900	8,800	1.1	2.3
Local Government	20,600	22,200	18,400	-7.2	12.0
Local Government Education	12,400	13,900	10,700	-10.8	15.9
Local Government Administration	8,200	8,300	7,700	-1.2	6.5

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

The additional 600 jobs brought the annual total of new construction jobs to 2,500. The construction industry continues to be the driving force behind the robust Boise economy. There were over 1,400 construction jobs in the area on the Idaho Commerce & Labor job availability listing. The July 2006 civilian labor force and total employment figures for all 10 counties in southwestern Idaho are shown in Treasure Valley Table 2 on page 13.

Metropolitan Boise

The number of building permits issued in July was down from a year ago as was the number of homes sold during the month in the metropolitan area. There are some logical factors at play in the slowing housing market, and a major one has been the escalation in median housing prices over the last year – 30 percent in Ada County and 35 percent in Canyon County. At the same time, wage increases have lagged significantly, in some cases not even keeping up with inflation. Housing is becoming unaffordable for an increasing number of area workers. Also, the housing market in California and other states has slowed somewhat, and it's taking longer to sell homes in other states in anticipation of relocating to southwestern Idaho. In addition, interest rates in July were nearing 7 percent, and 30-year mortgage rates reached a four-year high during July.

In Meridian, August residential building permits were up from July. Through Aug. 25, the city issued 133 new residential permits compared to 59 in July, the most permits issued in any August in 15 years except for 2004 and 2005. It would be essentially impossible to maintain the pace of construction experienced last year for any extended period.

Commercial construction activity is still robust. There are big box retail buildings and road projects in progress all over the area with the majority in Canyon County, where construction activity in the metropolitan area appears to be headed. Construction activity has followed prices and population growth westward, first Boise, then Meridian and now Nampa and Caldwell. Escalating land prices in Ada County are pushing projects toward the less expensive land to the west, where the number of building permits is up in 2006 over 2005. The median home price in both Nampa and Caldwell is much less than in Ada County.

AREA DEVELOPMENTS

Boise MSA

- July marked the second straight month that the cost of living in the Boise area increased at a pace of at least double the national rate of inflation. The national Consumer Price Index rose four-tenths of a percentage point while the Boise cost of living, as calculated by Wells Fargo, increased a full percentage point. Fuel costs drove the increase as they have all year. The price of fuel is up by 11.3 percent over a year ago and is beginning to cause prices in most other sectors of the economy to increase. That is particularly noticeable in the Wells Fargo report. Groceries, eating out and housing costs all increased in July from June. These industries all use large amounts of fuel from farming to trucking to construction.
- The Boise Airport continued the prosperity it has been enjoying over the last year and a half. Through the first five months of 2006, the airport reported a 7 percent increase in passenger traffic over year ago levels. Nationally, air travel only posted a 1.3 percent increase.

The robust growth is mostly due to the strength of the metropolitan economy and the attention it has attracted nationally, which brings in more travelers.

- Meridian will be the location of Boise State University's newest Small Business Development Center. The Meridian Development Corp. will be providing office space, training rooms and computers free of charge to both the small business center and to businesses located in Meridian.
- In another blow to the manufacturing industry, Tyson Fresh Meats Inc. is closing its slaughterhouse operation near Kuna by mid October, putting 270 people out of work. According to a spokesperson for the company, most workers earn between \$9 and \$16 per hour.
- Micron and Photronics recently broke ground for their new building housing their joint venture in photomask production. Photomasks are used in the manufacturing various memory products, which Micron also makes. The new building is located adjacent to the large Micron campus in Boise. It is estimated the new venture will add 125 manufacturing jobs.
- The first World Potato Congress held in the United States recently ended in southwestern Idaho. Hosted at the Boise Centre on the Grove, approximately 900 people from 40 countries attended the congress from Aug. 20 to 26. According to organizers, each out-of-state visitor spent an average of \$238 per day on lodging, meals, transportation and other items, making a one-time local financial impact of approximately \$1.5 million. That does not include the impact of the farm show in Wilder Aug. 24-26.

Adams County

- A new planned community, Serene Meadows, was recently approved by the New Meadows City Council. The subdivision will be located in south New Meadows with 167 home sites. Eighty-eight are scheduled to be affordable housing for area wage earners. These new affordable homes could help alleviate the shortage of construction workers, teachers and service workers in the Valley/Adams county area, where prices have skyrocketed with the development of the Tamarack Resort in Valley County. Having affordable housing available should help area employers recruit since housing is one obstacle most new residents to the area are struggling to afford.

Elmore County

- Glens Ferry potato processor Idahoan Foods has been sold and is becoming Idaho Processing Co.
- A \$17.6 million major renovation and expansion bond was recently defeated by voters in Elmore County. The bond would have financed jail additions and renovations totaling 54,000 square feet.

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